

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

**MOTION OF MARK E. DOTTORE, RECEIVER FOR ENTRY OF ORDER
CLARIFYING ORDER APPOINTING RECEIVER**

Mark E. Dottore, Receiver for South University of Ohio, LLC (“**South Ohio**”), Dream Center Education Holdings LLC (“**DCEH**”), Argosy Education Group LLC (“**Argosy**”) and AU Student Funding LLC (“**AUSF**”), among others, files this Motion, seeking to enter the attached Order Clarifying Order Appointing Receiver (the “**Clarifying Order**”) (attached as Exhibit A). The parties and Flagler Master Fund SPC, Ltd. (“**Flagler**”), a lender under that the Credit Agreement,¹ as a party in interest, have approved the Clarifying Order.

¹ As used herein, the term “Credit Agreement” means that certain Senior Secured Credit and Guaranty Agreement, dated as of October 17, 2017, as amended by that certain Amendment No. 1 and Limited Forbearance Agreement dated as of August 31, 2018 and that certain Omnibus Amendment No. 2 to Credit Documents dated as of January 7, 2019, by and among Dream Center Education Holdings, LLC, Dream Center Argosy University of California, LLC, and Dream Center Education Management, LLC, as borrowers, certain subsidiaries of the borrowers, as guarantors, the lenders party thereto from time to time, and U.S. Bank National Association, as administrative agent and collateral agent, as the same may be amended, amended and restated, modified, supplemented, or otherwise modified from time to time.

The Receiver represents that he has been in negotiations with Flagler, who is represented by Morrison & Foerster LLP. Negotiations are continuing but the Clarifying Order eliminates possible ambiguity with regard to receivership priorities of payment, and removes AUSF from the Receivership Entities (as that term is used in the Order Appointing Receiver). AUSF has no cash at this time, and no liabilities. The removal is without prejudice for the Receiver to request inclusion at a later time, after notice and hearing. Flagler considered these issues time-sensitive. Flagler is expected to intervene in this proceeding with the consent of the Receiver.

WHEREFORE, the Receiver respectfully requests that the Court enter the Order Clarifying the Order Appointing Receiver as soon as practical.

Date: January 25, 2019

WHITMER & EHRMAN LLC

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CERTIFICATE OF SERVICE

I hereby certify that on January 25, 2019, a copy of the foregoing *MOTION OF MARK E. DOTTORE, RECEIVER FOR ENTRY OF ORDER CLARIFYING ORDER APPOINTING RECEIVER* was filed electronically. Notice of this filing will be sent by operation of the Court's electronic filing system to all parties indicated on the electronic mailing receipt. Parties may access this filing through the Court's system.

/s/ Mary K. Whitmer
Mary K. Whitmer (0018213)

EXHIBIT A

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

DIGITAL MEDIA SOLUTIONS, LLC,) CASE NO. 1:19-cv-145
)
 PLAINTIFF,) JUDGE DAN AARON POLSTER
)
 V.)
)
 SOUTH UNIVERSITY OF OHIO, LLC, et)
 al.,)
)
 DEFENDANTS.)

ORDER CLARIFYING
ORDER APPOINTING RECEIVER

AND NOW, this ____ day of January, 2019, it is ORDERED, ADJUDGED AND
DECREED THAT the *Order Appointing Receiver*, dated January 18, 2019 (the “**January 18
Order**”),¹ is clarified as follows, *nunc pro tunc* to the entry of the January 18 Order:

1. All references to AU Student Funding, LLC (“**AUSF**”) are hereby stricken from the January 18 Order, without prejudice. AUSF shall not be a Receivership Entity and the assets of AUSF shall not be Receivership Property or Property, unless otherwise ordered by this Court after notice and a hearing. The authority of the Receiver with respect to AUSF shall not exceed the authority of Argosy Education Group, LLC, as the Member of AUSF, or Dream Center Education Holdings, LLC, as the Manager of AUSF, in each case, immediately prior to entry of the January 18 Order.²

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the January 18 Order.

² As used herein, the terms “Member” and “Manager” shall have the meanings ascribed to such terms in the Amended and Restated Limited Liability Company Agreement of AU Student Funding, LLC, dated as of January 15, 2019 and effective as of January 7, 2019.

2. The liens and security interests granted by the Receivership Entities prior to the entry of the January 18 Order (collectively, the “**Preexisting Liens**”) shall not be primed by, made subject to, subordinated to, or made *pari passu* with any lien or security interest granted on or after the entry of the January 18 Order absent further order of the Court after notice and a hearing; *provided, however*, that the Preexisting Liens shall be subordinated to the lien securing repayment of fees and expenses incurred on behalf of the Receiver and his professionals in accordance with the applicable terms of the January 18 Order and approved by the Court after notice and a hearing.

3. In the event of any conflict between the terms and provisions of this Order and the January 18 Order, the terms and provisions of this Order shall govern.

4. This Court shall retain jurisdiction over all matters pertaining to the implementation, interpretation and enforcement of this Order.

IT IS SO ORDERED.

DAN A. POLSTER
U.S. DISTRICT JUDGE

SUBMITTED BY:

WHITMER & EHRMAN LLC

/s/ Mary K. Whitmer

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